1 March 1967

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MEMORANDUM FOR:

Chief, DDP/NESA

THROUGH

Chief, OCI/NEAA/NE

THROUGH

: NDirector of Research and Reports

SUBJECT

Comments on AID Paper on South Arabia

- 1. We are returning herewith the copy of AID's paper on "Implications of U.K. Withdrawal from South Arabia" that was forwarded by your office on 10 February. Also enclosed are two sets of comments on the content of the paper; one is a generalized comment on the approach used by AID, and the other is a detailed statement on individual points that arise in the paper itself.
- 2. Also enclosed is a copy of our EM of October 1966, "Economic Prospects for South Arabia," that has been annotated to reflect significant information received since it was prepared. The changes have been entered in red so that they will be readily apparent. We have received no new information that would materially affect its contents or conclusions.
- 3. Please note that the AID paper is in many places a direct copy of the CIA EM, which specifically is cited as a source. Our EM was classified SECRET/No Foreign Dissemination, however, while the AID paper is marked only CONFIDENTIAL. The AID paper must be upgraded in view of the sensitive nature of some of its contents and the material in our own document.

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Chief, Economic Research Area, ORR

Attachments:

As stated.

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